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CURRENT INTELLIGENCE WEEKLY SUMMARY

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

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CURRENT INTELLIGENCE WEEKLY SUMMARY

21 February 1963

T H E W E E K I N B R I E F
(Information as of 1200 EST 20 Feb)

SOVIET FOREIGN POLICY DEVELOPMENTS . . . . . Page 3

Khrushchev's decision to withdraw "several thousand" Soviet military personnel from Cuba probably was prompted by his desire to remove a major irritant in US-Soviet relations which, in his view, might cause another flare-up of the crisis and jeopardize prospects for new negotiations on such issues as Berlin. The decision also suggests that the main lines of Soviet-Cuban relations in the immediate future finally have been worked out after protracted and difficult negotiations.

At Geneva, the USSR has continued to stall on discussing a nuclear test ban, while urging other delegations to press the US to reduce its terms for an agreement.

Moscow is maintaining its ambivalent attitude toward the new Iraqi Government. the Soviet Embassy in Baghdad stated that Soviet military aid would continue, the Soviet party central committe sharply denounced the new regime's suppression of Iraqi Communists.

IMPACT OF ADVERSE WEATHER ON BLOC ECONOMIES . . . . . Page 7

Poor weather this winter--with its potential consequences for the economy--is causing concern throughout the Sino-Soviet bloc. It is too early to assess the effects on farm output for the entire year, but it seems clear that an outstanding performance is not likely, even if favorable weather ensues. Unusually severe weather in Eastern Europe is also causing serious problems for industry and is already threatening fulfillment of some of the 1963 economic plans.

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MIDDLE EAST DEVELOPMENTS . . . . . Page 8

The new regime in Iraq, having repressed both Communist and Qasimist opponents, is turning to somewhat longer range problems, such as that of negotiating with the Kurds. Differences within the government are likely to become more pronounced, especially since non-Baathists are showing resentment over the predominant role the Baathists have taken thus far.

FACTIONAL TENSIONS INCREASING IN LAOS . . . . . Page 9

The rift between the Pathet Lao and the neutralist military forces under Kong Le has deepened following the assassination of a key neutralist field commander. Kong Le has regrouped the bulk of his forces to improve his defense against the Pathet Lao's superior military strength.

SOUTH KOREAN CIVILIAN OPPOSITION . . . . . Page 10

Junta leader Pak Chong-hui's offer to withdraw from politics gives civilian leaders an opportunity to take the initiative in the transition to representative government. However, long-standing factional disputes handicap the civilian politicians. Pak may be counting on wrangling among them to open the way for a new movement to draft him as a unity candidate for president.

COMMON MARKET DEVELOPMENTS . . . . . Page 11

The diplomatic struggle over Britain's role in Western Europe has continued during the past week and become, if possible, more complicated than before. There are still efforts within the Common Market to devise an economic and political alternative to Britain's full membership, but London itself is skeptical that an acceptable formula will be found.

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THE ARGENTINE POLITICAL SCENE . . . . . Page 14

Increasing political maneuvering is further straining Argentina's fragile stability. A key problem is the role to be played by the Peronists, who comprise about one quarter of the electorate, in the June general elections. This issue has caused serious divisions among the Peronists themselves, as well as among other political and military groups,

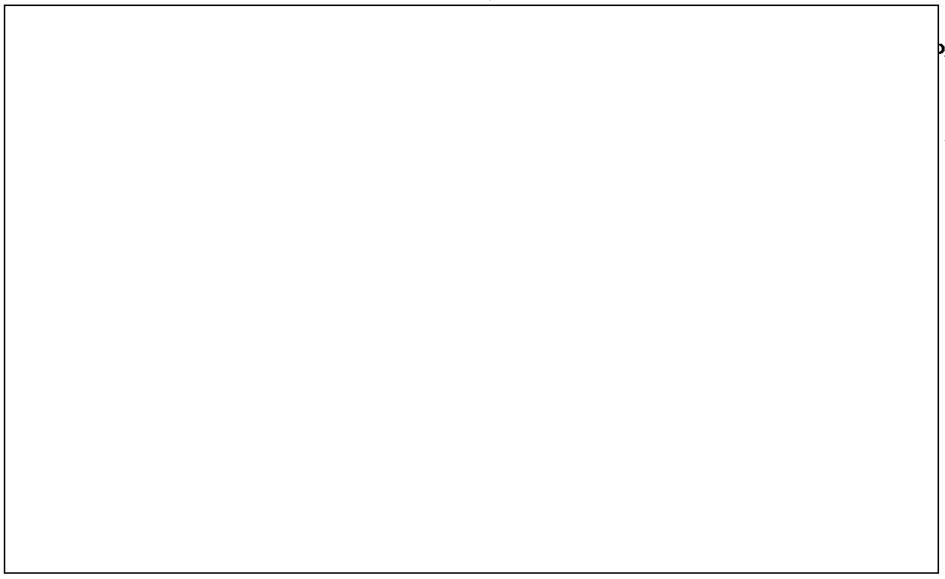
PRE-INAUGURAL SITUATION IN THE DOMINICAN REPUBLIC . . . . Page 15

President-elect Bosch, just returned from a two-month trip abroad, has attacked what he calls "vested interests" and may be preparing action that would lead to a major political crisis. In a press interview, described as "disappointingly demagogic," he claimed that he had obtained "three times as much aid" in Europe as he had in the US. Bosch's remarks on the proposed constitution, which he said should be "revolutionary," gave an impression that he backs those features that appear hostile to private property, business, and foreign investment. He is apparently already at sword's point with members of the outgoing regime, and there is a chance that violence or assassination attempts may occur at his inauguration--scheduled for 27 February.

SPECIAL ARTICLES

INDONESIA'S CAMPAIGN AGAINST MALAYSIA . . . . . Page 1

Week by week Sukarno is committing Indonesia more openly and more deeply to blocking the creation of a Malaysia Federation out of Malaya, Singapore, and the British-controlled Borneo territories. In Indonesian eyes, the proposed federation appears to be part of another colonialist scheme to prevent Indonesia from taking its rightful place as the dominant power in southeastern Asia. At the same time, the campaign against Malaysia serves Sukarno's domestic political purposes by keeping the army busy with an external problem and by taking public attention from chronic economic difficulties.



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WEEKLY REVIEW

THE SITUATION IN CUBA

Economic Relations With the Bloc

Cuba's difficulties in meeting its trade obligations with several bloc countries have been suggested by several recent reports. According to [redacted] a Hungarian trade delegation which went to Cuba last November was forced to return home without accomplishing its mission because of Cuba's insistence on a payment moratorium in connection with current debts to Hungary. Payments were scheduled to begin in 1965, but the Castro regime reportedly is insisting that all repayment of Cuban debts to bloc countries be deferred until 1970. [redacted] claimed that Cuban debts to the European bloc countries stand at more than $86 million, and another source [redacted] estimated the Cuban debt to Moscow at $250 million and to Peiping at $175 million.

Internal Resistance

Reports that anti-Castro forces within Cuba plan to launch an "all-out" attack against the regime on the evening of 20 February may represent a new attempt by Castro to trap his opponents. He has used such tactics on previous occasions with considerable success.

The rumors of the impending uprising appear similar to earlier ones that a rebellion would occur on 28 January. In the present version, simultaneous attacks against 136 Cuban cities, communities, and installations are planned. The rebels then would attempt to hold whatever areas they captured for a 24-hour period while calling for US assistance.

A number of high Cuban military officers and Cuban exiles in the US are said to be involved in the plans. It is not known if there is any connection between the present report and that furnished by a newly arrived Cuban refugee on 14 February who said that a "suicide attack" on the Castro regime would be launched within the next few days.

Efforts to launch a revolt would have little chance of success without outside help. In the past Castro's forces have promptly suppressed the slightest indications of popular protest and in several instances have unearthed antiregime plots long before they matured.

There is no other available evidence that a genuine revolt is being contemplated at this time. Scattered acts

of sabotage and insurgent activity has increased noticeably since the beginning of the year, but there is no evidence that they represent a planned, coordinated campaign aiming at producing a general uprising.

On the other hand, the regime's security and military forces evidently are maintaining a high degree of vigilance which may be at least partially attributable to the recent increase in activity by anti-Castro dissidents.

Subversion in Latin America

A group of six Argentines who have completed several months' training in guerrilla warfare in Cuba now is in Uruguay preparing to re-enter Argentina and organize a guerrilla effort there, [redacted] the Argentines are said to have left for Cuba last August.

Another Argentine trained in Cuba last year reported after leaving Cuba in January that there had been some 50 of his countrymen undergoing guerrilla training there at various times during the latter half of 1962.

Other sources allege that Castro has claimed that Argentina follows Venezuela in Cuba's program to develop revolutions in Latin America. Toward this end Cubans have worked closely for some time with an extremist faction of the Peronist movement. John William Cooke, former chief of the Peronist party in Argentina, reportedly spends much of his time in Cuba. His wife, a resident of Uruguay, has been active in recruiting candidates for guerrilla training courses in Cuba and maintains close contact with the Cuban Embassy in Montevideo, where travel arrangements for the trainees are arranged. [redacted]

* * *

SOVIET FOREIGN POLICY DEVELOPMENTS

Khrushchev's decision to withdraw "several thousand" Soviet military personnel from Cuba, which was conveyed to the US on 18 February, probably was prompted by his desire to remove a major irritant in US-Soviet relations which, in his view, might cause a new flare-up of the crisis and jeopardize prospects for resuming negotiations on such issues as Berlin. His concern to prevent further damage in his relations with President Kennedy has been reflected in Soviet propaganda which consistently distinguishes between "sober voices" in the US administration and "mad senators" who are ready to risk World War III.

The Soviet premier had informed President Kennedy on 20 November that Soviet ground combat units in Cuba would be withdrawn "in due course." The three-month delay in carrying out this commitment probably was due partly to Moscow's wish to avoid any appearance of a further hasty retreat under US pressure following the removal of the strategic missiles and the IL-28 jet bombers. Khrushchev probably felt also that a further substantial reduction in the Soviet military presence in Cuba would seriously aggravate the USSR's already strained relations with the Castro regime.

The decision to withdraw troops now suggests that the main lines of Soviet-Cuban relations in the period immediately ahead have finally been worked out after a period of reassessment in Moscow and difficult negotiations with the Cubans. The 1963 protocol to the Soviet-Cuban trade agreement, involving a new long-term credit to Cuba, was signed in Moscow on 7 February. Moscow and Havana also announced on 26 January that the USSR, at Cuba's request, had agreed to send 400 technical specialists to Cuba during the following two months.

Divisive Tactics

The drumfire of Soviet criticism of President de Gaulle and Chancellor Adenauer continues. Moscow is seizing on any developments which can be used to exploit differences among the Western allies. Soviet propaganda claims that Bonn has endorsed US proposals for a multilateral NATO nuclear force and, at the same time, has refused to divert arms purchases from the US to France. Moscow alleges that Bonn's position has displeased the French and that British arms manufacturers will be the losers in West Germany's maneuvering between Washington and Paris. Moscow continues to expand on the prospects for increased Soviet-British trade.

De Gaulle is coming under increasingly direct Soviet attacks. Izvestia's authoritative commentator, N. Polyanov, called upon the "people in the Elysee Palace" to revise their policies and to realize that France's chances of attaining a leading role in Europe will not be enhanced by an attempt "to restore the Carolingian Empire which has long since collapsed." Pravda charged on 19 February that De Gaulle now has aligned himself with a class which has always opposed an alliance with the USSR.

Geneva Talks

The Soviet delegation at Geneva has continued to stall on consideration of a nuclear

test ban and to maintain its "take it or leave it" attitude on Khrushchev's offer of two or three on-site inspections a year. These tactics are aimed at generating concern on the part of other delegations, particularly the eight neutrals, over lack of progress in the hope that they will increase pressure on the US to reduce its terms for a treaty.

Chief Soviet delegate Kuznetsov has shown no interest is scheduling a meeting of the three-power test-ban subcommittee of the 18-nation disarmament conference.

[redacted]

There have been no further [redacted] hints that a compromise might be reached on the number of inspections. Moscow TASS, however, reported a suggestion by the UAR delegate at Geneva that the parties should meet each other's positions half way and agree to "four to five" inspections.

Iraq

Moscow is maintaining its ambivalent attitude toward the new regime in Baghad. On the one hand, the Soviet party central committee statement published in Pravda on 17 February condemned the regime's "mass reprisals" against Iraqi Communists and pointed out that this "bestial reaction" contradicts the policies proclaimed by the new government. The Soviet Embassy in Baghdad, on the other hand, publicly denied that the USSR had protested suppression of the local Communists. The embassy spokesman professed to have "no worry about the future," indicated that Soviet military aid will be continued under the agreements signed with the Qasim regime, and claimed that the new government had made it clear that it wants this aid to be continued.

The central committee statement was similar to earlier Soviet statements protesting the banning of the Algerian and Tunisian Communist parties in that it avoided any direct attack on the Iraqi Government and contained no warning that governmental relations would be affected. In denying that this statement constituted Moscow's official view, the Soviet Embassy in Baghdad took refuge in the old canard that "Pravda doesn't represent the official views of the Soviet Government."

[redacted]

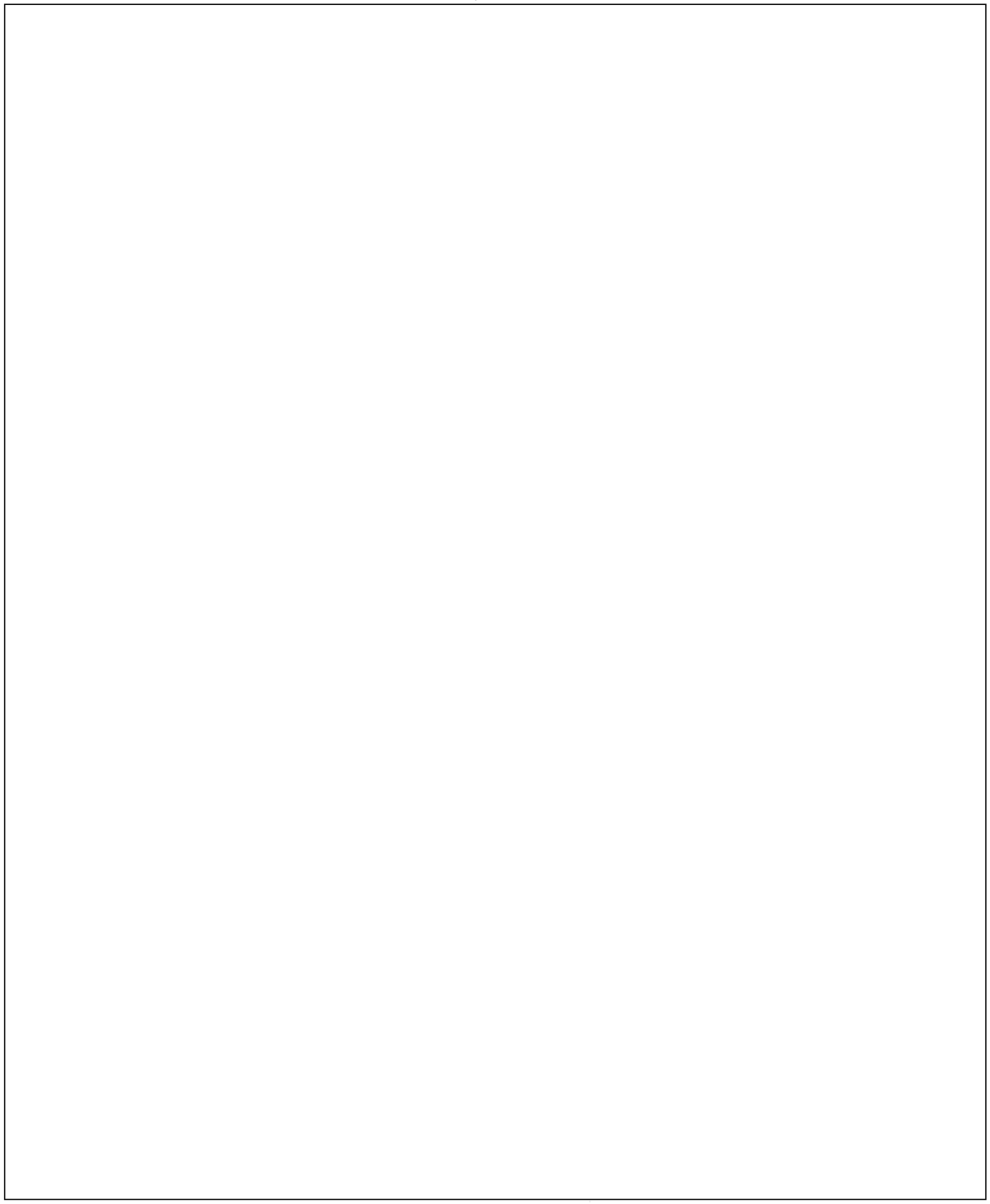
[redacted] is continuing its violent assaults on the new regime as "vicious fascist elements" and urging the Kurds to join other anti-regime forces in opposing the

government. Moscow radio felt moved on 18 February, however, to deny a Reuters report that it is interfering in Iraq's internal affairs by calling on the Kurds to rise against the new regime.

Laos

The Soviet leaders used the state visit of King Savang and Premier Souvanna Phouma of Laos to emphasize the USSR's constructive role in the Laotian settlement as evidence of its constant "striving for peaceful coexistence." Soviet propaganda gave extensive coverage to the six-day visit, and Moscow radio for the occasion ran an 11-day series of special broadcasts to Southeast Asia.

The joint communiqué issued at the end of the visit endorsed standard Soviet positions on general disarmament, banning nuclear weapons and their transfer to nonnuclear powers, and liquidation of foreign military bases. The statement expressing hope that the Sino-Indian border dispute will be settled "peacefully by talks" presumably was included on Soviet initiative since the Laotians have shown no previous interest in this question.



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IMPACT OF ADVERSE WEATHER ON BLOC ECONOMIES

Poor weather this winter--with its potential consequences for the economy--is causing concern throughout the Sino-Soviet bloc. It is too early to assess the likely effects on farm output for the entire year, but it seems clear that an outstanding performance is not likely, even if favorable weather ensues. In addition to agricultural problems, unusually severe weather in Eastern Europe is causing serious problems for industry and is already threatening fulfillment of some of the 1963 economic plans.

Extreme cold and heavy snowfall in Eastern Europe have increased the requirements for fuel and power in industrial plants and homes at a time when rail and water transport of fuel have become more difficult. Water supplies have been reduced, some power lines have broken, and coal mining has been slowed. Some factories have been forced toshut down or to curtail production, and some schools and other institutions have been closed.

Restrictions have been imposed on the use of electricity in factories, households, and other establishments, and measures have been taken to ensure the movement of coal and other priority freight by rail. Construction and transport workers and troops have been used to clear roads and rails.

Severe cold in the satellites has made the distribution of already short fodder more acute, and there are some reports that livestock have frozen to death. Although the heavy snow cover may have protected winter grain from freezing, a sudden thaw could result in substantial flood damage.

Weather conditions this past fall and winter have also been unfavorable in the USSR, particularly for the important winter grain crop--about 30 percent of the annual total. In some of the principal winter grain areas, drought and low temperatures during the fall months combined with sudden thaws and heavy rains later in the winter to cause damage which might prove substantial. Considerable reseeding is likely to be required this spring.

The livestock sector may also be suffering setbacks. Severe cold is complicating the task of stretching already inadequate feed supplies to cover record numbers of livestock, a condition that could lead to distress slaughtering.

In the Far East, both Communist China and North Vietnam have complained of worsening drought conditions this winter. Peiping has characterized the drought in North China as "the worst in 40 years" and has said that it is getting "worse with each passing day." Kwangtung Province, in South China, is also suffering from abnormally dry conditions, according to Peiping, and cultivation of the early crops is already running into difficulties.

The main threat to the wheat crop in North China will come in about two months when the wheat emerges from its dormancy, but rice and miscellaneous grain crops in South China are in more immediate danger because they mature earlier. Weather observations [redacted] substantiate the Chinese reports of unusually dry weather and indicate that rainfall in Kwangtung during December was only about six percent of normal for that month.

Authorities in North Vietnam have admitted that the worsening drought is causing "major difficulties" in widespread areas. Hanoi has further revealed that peasants "in a number of areas" have become so discouraged over persistent drought conditions that they have given up the struggle and left the farms for other employment. With the 1963 crop year off to a poor start, Hanoi faces a continuing tight food supply after three consecutive years of mediocre harvests. [redacted]

MIDDLE EAST DEVELOPMENTS

The new Iraqi regime, having repressed Communist and Qasimist opponents, faces a number of other, somewhat longer range problems which require immediate attention. Among the most important of these is its relations with Mulla Mustafa al-Barzani's rebellious Kurds. A settlement of Kurdish relations with the Iraqi state is likely to be difficult, since the country's new rulers must continue to pose as Arab nationalists who will not sacrifice Arab "interests."

The regime has taken pains to pull a blanket of "positive neutralism" over its naked repression of local Communists. Foreign Minister Shabib and Minister of State Hazim Jawad in press conferences have stressed the country's excellent relations with the USSR and alleged that the quarrel with local Communists is that they were Qasim supporters. The regime has ignored broadcasts by the clandestine Peyk-e Iran radio in Leipzig. This radio, operated by the Iranian Communists, has called for a continued Kurdish rebellion and has characterized the Iraqi regime as "an oppressive, bloodthirsty, and atrocious enemy" brought to power by a "black fascist coup."

Non-Baathist elements have expressed some resentment over the Baathist predominance in the government, and sharp disagreement within the regime is likely once its component groups begin to discuss longer range aims and policies. The fear of a resurgence of the Communists will tend to keep Baathist and non-Baathist nationalists from a complete falling out, however.

Publicly, Cairo continues to cite the Iraqi coup as an example to be followed by people under the remaining "reactionary" regimes in the area.

In Syria, meanwhile, demonstrations for "unity" with Iraq have been held in the wake of Syrian Foreign Minister Mahasin's 15 February declaration in favor of "federation" with Iraq. The Syrian press has also reacted favorably. The Iraqis are apparently embarrassed by the Syrian overture and have limited themselves to expressions relating to general Arab unity and protestations of their high regard for Nasir's UAR.

Leaders of Syria's feuding Baathist factions are attempting to establish close ties with their Iraqi brethren. Michel Aflaq's group, which follows a moderately pro-Nasir line, is likely to be favored by the Iraqis over Akram al-Hawrani's strongly anti-Nasir faction.

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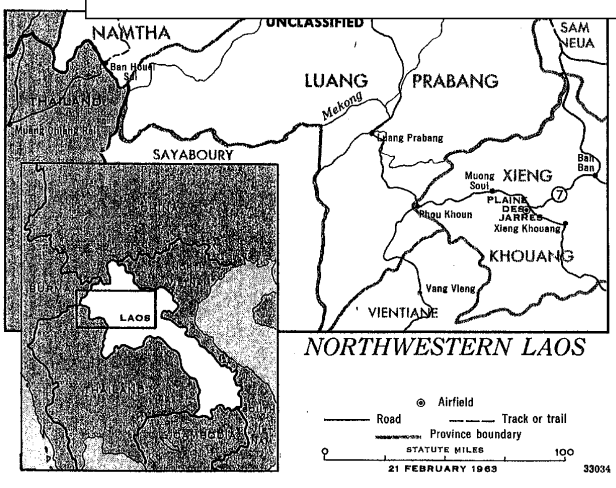
FACTIONAL TENSIONS INCREASING IN LAOS

The rift between neutralist and Pathet Lao forces in Laos has deepened and become more open since the assassination on 12 February of Kong Le's field commander in the Plaine des Jarres, Colonel Ketsana. Neutralist spokesmen have publicly accused the Pathet Lao of the killing, although the reaction of Kong Le, the neutralist military leader, thus far has been generally restrained.

The Pathet Lao's military position is considerably stronger than Kong Le's and for better defense he has concentrated his troops in the northern and western portions of the Plaine des Jarres. Token neutralist forces remain as far east as Ban Ban, but Kong Le probably controls only the area extending from the Plaine des Jarres airfield west to Muong Soui on Route 7.

Neither Kong Le nor the Pathet Lao leaders appear to be planning major military moves at this time, although the heightened tensions between them could precipitate a clash.



NORTHWESTERN LAOS

SOUTH KOREAN CIVILIAN OPPOSITION

Junta leader Pak Chong-hui's offer of 18 February to withdraw from politics in order to stabilize the political situation in South Korea gives civilian leaders an opportunity to take the initiative to assure a peaceful transition to representative government.

In return for this withdrawal, General Pak has demanded assurances from all leading civilian politicians that they agree to uphold the principles of the revolution and that the participants in the military government be safeguarded against retaliation. Pak would continue to head the government until elections are held later this year and has pledged that he would carry out impartially the return to civilian rule.

Pak's terms are likely to be acceptable. Until the old-line politicians now reentering political life sort themselves out, however, they will have difficulty taking advantage of the offer. The civilian leaders are divided by long-standing factional differences and personal distrust. Their initial efforts to organize a unified opposition party have faltered over the problem of choosing a party leadership. Each group fears that it would be shut out of real influence unless its man secured the top post. None of the major groups, however, has closed the door to further negotiations.

Ho Chong appears to be the most likely figure around whom the politicians might coalesce. He is a former Rhee lieutenant who broke with the ex-president after serving as acting prime minister in 1951-52. As mayor of Seoul in 1957-59 Ho gained considerable popular prestige for his honesty and ability. His performance as head of the provisional government that took over after Rhee's ouster in 1960 further enhanced his stature.

Ho has made some efforts to unite the elements opposed to the military regime, and he recently called for another attempt to form a coalition party. His efforts probably are being undercut by former president Yun Po-sun, who reportedly wants to lead any coalition himself. As a compromise, the major contending groups may remain independent but settle on a joint candidate, possibly Ho, for this spring's presidential elections. Such a development would appreciably improve prospects for a peaceful transition to the new government.

At the same time, however, there is a possibility that Pak's offer is less than sincere and that he expects the civilian leaders to fail in their attempts to organize. He may believe that in such a situation he would be the only acceptable choice to head the new government.

Pak's withdrawal will be a severe blow to the regime-sponsored Democratic-Republican Party, which now lacks any other potential candidate of comparable stature. Party leader Kim Chong-pil is attemtping to preserve his organization and his position in it by placing his supporters in key posts but his own future is in doubt. The party could be counted on to lead a move to draft Pak if a favorable opportunity arose.

CURRENT INTELLIGENCE WEEKLY SUMMARY

COMMON MARKET DEVELOPMENTS

The diplomatic struggle over Britain's role in Western Europe has continued during the past week and become--if possible--more complicated than before. There are still efforts within the Common Market to devise an economic and political alternative to Britain's full membership, but London itself is skeptical that an acceptable formula will be found.

Despite the strong lead taken by Bonn and Brussels and the basic similarity of their proposals for effecting an interim arrangement for Britain, anything like an agreed position among the "friendly five" has yet to emerge. Belgian and Dutch officials have held several meetings in order to reconcile their differences, but there has been no coordination with Bonn. London is maintaining its bilateral contacts with both endeavors, but has been disappointed by the results so far.

Plans for any early meeting of the Six and Britain in the Western European Union (WEU) framework have reportedly been dimmed by French insistence that Paris would be represented at such a meeting only on condition there be no discussion of the Brussels talks or their aftermath. West German officials have recently said that the interim UK-EEC economic ties under consideration are in the nature of free-trade-area arrangements. These the US has always opposed as a form of tariff discrimination.

[redacted]

The French press has quoted "authorized official sources" as saying any association agreementwith Britain would have to be preceded by EEC ratification of the African association convention and settlement of outstanding problems regarding the EEC's common agricultural policy.

[redacted]

[redacted] press reports that Paris believes "financial arrangements" would have to be the first part of any agreement with Britain. Although "the problem of the sterling area" was never seriously considered in the Brussels talks, [redacted] the French have seemed to regard this issue as a reserve "trump card" to prevent a UK-EEC agreement.

[redacted]

At the 18-19 February meeting of the Outer Seven ministers, Austria announced its intention to pursue its bid for association with the EEC, despite the resolve of the other members to resume talks with the Common Market only when France gives guarantees of good faith. Vienna has long been convinced of De Gaulle's special sympathy for Austria--a sympathy he has also managed to convey to Copenhagen. Denmark's economic need for a tie with the Common Market is scarcely less pressing than Austria's.

[redacted]

THE ARGENTINE POLITICAL SCENE

Increasing political maneuvering is further straining Argentina's fragile stability. A key problem is the role to be played by the Peronists, who comprise about one quarter of the electorate, in the June general elections. This issue has caused serious divisions among the Peronists themselves, as well as among other political and military groups,

Various non-Peronist political parties are competing for Peronist support in a national front, counting on the government to keep the Peronists from presenting candidates for top government posts. To curry Peronist favor, representatives of seven political parties demanded in late January that the government remove the legal ban against open Peronist political activity. These parties correctly anticipated that the government would maintain the ban, which, if lifted, would jeopardize their own fortunes. The Peronists are exploiting this opportunistic gambit, and are claiming that 80 percent of the electorate support their demands to campaign on an openly pro-Peron ticket.

The armed forces have made clear that they will not accept return of the Peron dictatorship, but will agree to the Peronists' campaigning on a basis of Peronism without Peron. Some military officers, especially those retired last year, believe that even this strategy is too risky, given the present disarray of the non-Peronist political parties. They also fear that Interior Minister Martinez' strategy based on splitting the Peronist vote will be just as unsuccessful as that of Frondizi, who was ousted after the Peronist victories in March 1962.

The Peronists' most impressive victories last March were on the UP ticket in the Buenos Aires metropolitan area.

It is unlikely that Peron would feel bound by any commitment of this kind. A spokesman for Peron in Madrid has denied that Peron agreed to any electoral deal, and indicated that instead Peronists would follow a strategy of "contingency planning" until the elections. This apparently could involve recourse to revolutionary action if it appeared likely to succeed.

PRE-INAUGURAL SITUATION IN THE DOMINICAN REPUBLIC

President-elect Bosch of the Dominican Republic, just returned from a two-month trip abroad, has attacked what he calls "vested interests" and may be preparing action that would lead to a major political crisis. In a press interview, on 17 February, described [redacted] as "disappointingly demagogic," he claimed that he had obtained "three times as much aid" in Europe as in the US.

Bosch's remarks on the proposed constitution, which he said should be "revolutionary," gave an impression that he backs those features that appear hostile to private property, business, and foreign investment. He is apparently already at sword's point with members of the outgoing regime, and there is a chance that violence or assassination attempts may occur at his inauguration--scheduled for 27 February.

[redacted] Bosch's comments on the constitution "can only have succeeded in frightening the business and propertied classes." In general, his remarks appeared to clash with, and may damage the fruits of, his own efforts in the US and Europe to get development aid for the Dominican Republic.

The majority of Dominicans favor, or have become reconciled to, the need for social and economic reform. Members of the propertied classes and conservative-minded leaders of the outgoing administration, however, were deeply alarmed over the new constitution draft's lack of specific guarantees for property rights and over its broad framework--which if fully used would amount to a radical reform.

Officers of the armed forces almost unanimously expressed their apprehensions that the proposed constitution would discourage foreign investments necessary to the country's economic progress, and many of the military termed it a "Communist document." The armed forces, although they still appeared disposed to support the incoming government at the time of Bosch's return, have been put on their guard and will be alert to any trend they consider likely to lead to the left. [redacted]

Military leaders also are expressing increased concern over the role of Brigadier General Antonio Imbert and Luis Amiama--the two survivors of the group which assassinated dictator Trujillo--in the rapid growth of the national police force and over the force's efforts to acquire weapons of a variety more properly associated with the mission of the armed forces. The military officer corps objects to the large expenditures by the police, which in turn reduce budget allocations needed by the armed forces to complete their transformation into small but well-equipped and trained units.

Despite the complaints of the military, which they will probably raise with Bosch when he takes office, Imbert especially does not appear ready to relinquish the power that he has gained as a member of the outgoing regime. Imbert already has indicated his intention to use the police to oust Bosch if he feels it is necessary to do so.

Bosch's unstable temperament has already caused complications in pre-inaugural planning. Upon his election last December, he apparently had few plans worked out in detail for taking control of the government. One of the purposes of his trip abroad appears to have been to gain time to formulate policies for his administration.

With the Dominican military relegated to the background, security preparations for the inauguration have proved difficult to arrange.

* * *

CURRENT INTELLIGENCE WEEKLY SUMMARY

SPECIAL ARTICLES

INDONESIA'S CAMPAIGN AGAINST MALAYSIA

As the fifth largest country in the world and with strength unequaled in Southeast Asia, Indonesia appears to be increasingly obsessed by the idea of great-power status. President Sukarno and other Indonesian leaders regard as inimical any development which might retard Indonesian expansion. Such a development is the proposed Federation of Malaysia, which is to be composed of Malaya, Singapore, and the British territories of Sarawak, Brunei, and North Borneo, and is scheduled to be formed by this August.

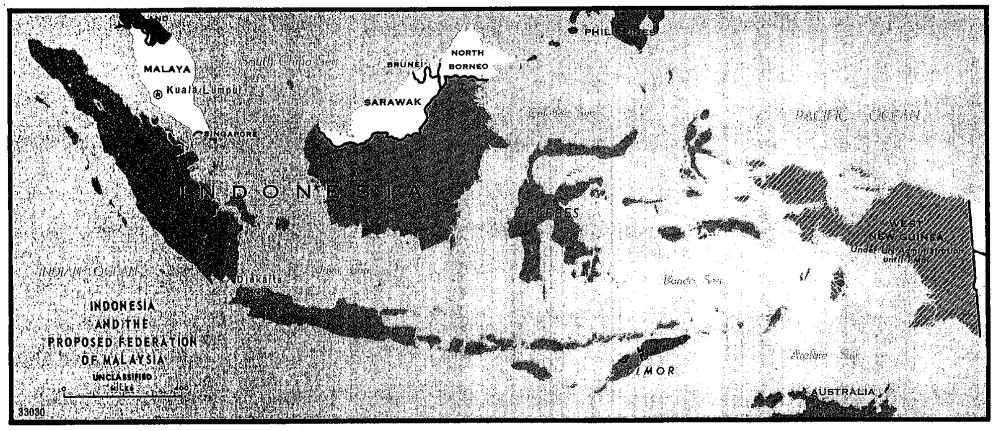
Indonesia's Motivation

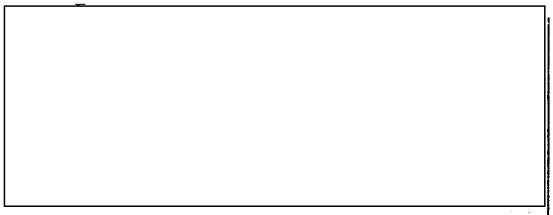
[redacted]

[redacted] Sukarno, who sees himself as a divinely inspired leader who will lead "his people" to national unity, apparently is also dreaming of presiding over a new Indonesian empire. His favorite character in the Hindu epic drama, to which he is devoted, is the "warrior king."

A significant factor in expansionist thinking apparently is the belief that Indonesia ultimately will have to defend itself and the surrounding area against Chinese Communist influence or even attack.

Indonesian interest in the Borneo territories as a logical area of expansion is stimulated by geographic contiguity, historic claims, and ethnic ties with two of the area's principal groups--the Malays and the indigenous tribes people. [redacted]

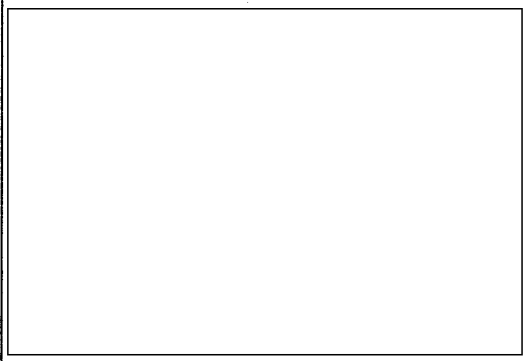




The Indonesians' emotions on the Borneo issue are the more intense because the revolutionary philosophy and emotional bias of most of Indonesia's leaders and of much of the Indonesian public are almost diametrically opposed to the outlook of Malaya's leaders. Indonesian foreign policy, although officially nonaligned, has strong anti-Western undertones. Malaya still associates itself closely with the West, and the backers of the Malaysia concept intend that the federation adopt a similar posture. Malayan Prime Minister Rahman in particular appears to Djakarta to be a tool of the British.

Domestically, the anti-Malaysian campaign serves Sukarno much as did the campaign to take over West New Guinea. Perhaps most important, it channels the energies of the anti-Communist army and the Communist Party toward a common goal. Sukarno retains his preeminent position in great part by balancing off these two major internal power factors, and he has long insisted that in the interests of national unity he wants them to work in the same direction rather than counter to each other. An anti-Communist army which is not preoccupied with external military operations apparently poses in Sukarno's mind a threat to his personal position, to national unity, and to his political aspirations.

At the same time Sukarno almost certainly believes that by pursuing an anti-Malaysia policy he is keeping ahead of the local Communists, who have been pressing the issue themselves through propaganda in Indonesia and through agents of their own in Borneo.



Moreover, Indonesia's massive purchases of arms, chiefly from the Soviet Union, made it possible for Sukarno to settle the West New Guinea dispute in his favor and have enabled him to strike his present attitude toward Malaya. Indonesia may well cite its anti-imperialist policy on Malaysia as an argument to persuade the USSR to reschedule and extend payments on Djakarta's $650-million debt for arms purchases.

An ever-present motivation for all Sukarno's external adventures is the need to divert attention from Indonesia's chronic economic problems--problems for which he has little taste and less talent.

Indonesia's Timing

The timing of Indonesia's moves and the change in Indonesia's policy from the vaguely stated and generalized opposition to Malaysia last fall to intense hostility in mid-January seems to have resulted from a series of factors. Foremost would

appear to be the abortive Brunei rebellion of last December.

[redacted]

Such a policy appears to have been initiated almost immediately after 3 January, when Indonesia rejected a UK note regarding the Brunei revolt, [redacted] On 20 January, Subandrio announced Indonesia's policy of "confrontation" against Malaya--all opposition short of war. At that time he denounced Malaya as an accomplice of the neo-colonialists and imperialists and accused the Malayan Government of hostility toward Indonesia.

Since then the level of vituperation has risen almost daily. Subandrio warned on 11 February that incidents and even war with Malaya might follow the establishment of the Malaysia Federation. He catalogued a series of unfriendly acts by Prime Minister Rahman which included active support of Indonesian rebels in the provincial rebellion of 1958 and Malayan expansionist designs on Sumatra at that time. He added that Rahman's hostility toward Indonesia indicated that he might be "a tool of international conspiracy" against Indonesia.

Sukarno stated in a 12 February speech that Indonesia considers Malaysia as "encirclement of the Indonesian Republic ...the product of the brains and efforts of neocolonialism" meant to protect the economic investments of the imperialists. He reiterated Indonesia's sympathy with the "struggle of the people of North Borneo."

Indonesian Military Moves

[redacted]

In mid-January both Subandrio and National Security Minister Nasution [redacted] that if "independence seekers" in the North Borneo territories request military training,

Indonesia would comply. Indonesian ground forces in Indonesian Borneo consist of eight infantry battalions, one of which is a commando unit.

On 30 January Indonesia announced that it was carrying out air and naval patrols of its sea borders with Malaya, and its land boundaries with British Borneo.